

**STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

Office of Financial and Insurance Services

Petitioner

Enforcement Case No. 05-3175

Case No. 06-540-L

John G. Aijala

Respondent
_____/

For the Petitioner:

**Tracy Post (P62602)
Office of Financial and Insurance Service
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Lansing, MI 48933
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_____ /

For the Respondent:

**John G. Aijala
c/o James G. Halverson
Attorney at Law
1777 Foxcroft
East Lansing, MI 48823
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Issued and entered
on 1 December, 2006
by Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. Findings of fact and conclusions of law

1. At all pertinent times, John G. Aijala ("Respondent"), license # 395-763-3193, was a licensed resident producer authorized to sell life, accident and health insurance in the State of Michigan.

2. As a licensed resident producer Respondent knew or had reason to know that Section 1239(1)(i) of the Michigan Insurance Code provides that the commissioner may place on probation, suspend, revoke or refuse to issue an insurance producer's license for having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.
3. As a licensed resident producer Respondent knew or had reason to know that Section 1239(1)(g) of the Michigan Insurance Code provides that the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license having admitted to or having been found to have committed any insurance unfair trade practice or fraud.
4. On or about February 8, 2005, Respondent informed the Office of Financial and Insurance Services ("OFIS") that on January 6, 2005, the State of Wisconsin revoked his intermediary insurance license.
5. On or about December 31, 2004, Respondent signed a stipulation and proposed order with the Office of the Commissioner of Insurance in the State of Wisconsin. The stipulation and order confirmed the following:
 - a. Respondent sold contracts of an unauthorized insurer to 46 individuals in Wisconsin.
 - b. Respondent solicited the sale of insurance in Wisconsin without a license to do so.
 - c. Respondent recommended and sold unsuitable insurance products to an elderly and impaired husband and wife.
6. As part of the above referenced stipulation and order, Respondent agreed to pay a forfeiture of \$30,000 to the State of Wisconsin. Said forfeiture was to be paid no later than February 3, 2005. On or about April 11, 2005, Respondent notified OFIS that he had failed to pay the forfeiture amount.
7. By engaging in conduct that resulted in the revocation of his license in Wisconsin, Respondent has violated Section 1239(1)(i) of the Michigan Insurance Code, MCL 500.1239(1)(i).
8. Respondent also marketed the product that was the subject of Wisconsin proceedings in the State of Michigan. Respondent was selling a long-term care insurance product sponsored by Homeward Bound Services of North America. Homeward Bound and its long-term care product have been the subject of regulatory action in numerous states, including Wisconsin and Illinois. Appellate courts in both jurisdictions have ruled the product is insurance, and as such, is subject to the states' regulatory authorities.

9. The Michigan Office of Insurance and Financial Services is in the process of negotiating a settlement with Homeward Bound Services of North America relative to its long-term care product. It is the position of OFIS that the Homeward Bound product is insurance, and as such, is subject to regulatory authority. Homeward Bound Services of North America is not authorized or licensed to do insurance business in the State of Michigan.
10. By selling an unlicensed, unregistered and unauthorized insurance product in Michigan, the Respondent has engaged in an unfair insurance trade practice or fraud. The Respondent has violated Section 1239(1)(g) of the Michigan Insurance Code, MCL 500.1239(1)(g).

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Sections and 1239(1)(g) and (i) of the Michigan Insurance Code, MCL 500.1239(1)(g) and (i).
2. Respondent shall pay a civil fine or penalty of \$1,000.00.
3. Respondent shall refrain from the sale of any unlicensed, unregistered or unregulated products.
4. If the Respondent violates any of the terms outlined above, his license will be immediately revoked.



Frances K. Wallace
Chief Deputy Commissioner